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December 7, 2012

**By ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: LTS of Rocky Mount, LLC Compliance Plan Meeting Notice of Ex Parte  
Presentation; WC Docket Nos. 09-197, 11-42

Dear Secretary Dortch:

On Thursday, December 6, 2012, Thomas Armstrong of LTS of Rocky Mount, LLC ("LTS") and John J. Heitmann and Denise N. Smith of Kelley Drye & Warren, LLP met with Kimberly Scardino, Divya Shenoy, Michelle Schaefer and David Bradford of the Wireline Competition Bureau ("Bureau") to discuss LTS' Compliance Plan filed October 31, 2012 in the above-referenced dockets. At the meeting, LTS provided the Bureau staff with the enclosed presentation introducing the Company and its management, the Company's Lifeline product offerings and its approach to compliance with the requirements of the *Lifeline Reform Order*.<sup>1</sup> LTS will be filing a revised Compliance Plan shortly.

This letter and presentation are being filed electronically for inclusion in the public record of the above-referenced proceedings. Please feel free to contact the undersigned with any questions.

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, 27 FCC Rcd 6656 (2012).

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Respectfully submitted,



John J. Heitmann  
Denise N. Smith

*Counsel to LTS of Rocky Mount, LLC*

Enclosures

cc: Kimberly Scardino (via e-mail)  
Divya Shenoy (via e-mail)  
Michelle Schaefer (via e-mail)  
David Bradford (via e-mail)

# LTS of Rocky Mount, LLC

## FCC Compliance Plan

### Meeting



December 6, 2012

# Agenda

- Introduction of Company
- Company Lifeline Product Offerings
- Marketing/ Advertising Compliance
- End User Enrollment
- Annual Certification
- Procedures Addressing Waste, Fraud and Abuse
- Questions

# LTS - Overview

- History
- Currently Provides Lifeline Service in:
  - North Carolina (resale)
    - 275 POTS customers in North Carolina
    - Resale service since 2000
    - Lifeline since 2011
- Planned Future Expansion
  - ETC application pending in North Carolina
  - CLEC application pending in Florida
  - CLEC and ETC applications planned for Alabama, Mississippi and Louisiana

# LTS - Overview

- In compliance with amended section 54.202, LTS certifies:
  - It will comply with the service requirements applicable to the support that it receives;
  - It has the ability to remain functional in emergency situations;
  - It will satisfy applicable consumer protection and service quality standards; and
  - It is financially and technically capable of providing Lifeline service

# LTS - Overview

LTS is financially and technically capable of providing the supported Lifeline Service

- Established provider of Lifeline and non-Lifeline services
- Company will obtain revenues from sales of additional wireless and wireline services, i.e., top-up minutes and non-Lifeline services
- Ownership
  - Tom Armstrong
    - 14 years of telecommunications experience
    - Regulatory compliance, provisioning, billing, customer service
    - Immediate past Chairman of the National ALEC Association/Prepaid Communications Association
  - Bill Kloss
    - 14 years of telecommunications experience
    - Marketing, demographic analysis
- Affiliates
  - Digital Express, Inc. and Express Phone Service, Inc.

# LTS - Wireless Lifeline Product Offerings

	LTS 150	LTS 250	LTS 360	LTS 660
Handset Price	FREE	FREE	FREE	FREE
Number of Free Minutes	150	250	150	150
Number of Additional Minutes	n/a	n/a	210	510
Additional Minutes Price	n/a	n/a	\$6.00	\$15.00
Rollover	Yes	No	Yes	Yes
Text Messaging (text to voice minute ratio)	1 to 1	1 to 1	1 to 1	1 to 1

All plans include. . .

- Nationwide coverage
- Call Waiting, Caller ID, Voice Mail
- Text messaging
- Free Calls to Customer Service and Balance Inquiries
- Free Domestic long distance calling

Additional minutes available in increments of \$10, \$16, \$21 & \$27 (per minute price of \$.10 to \$.042)



# LTS - Wireline Lifeline Product Offerings

	CenturyLink Territory	AT&T Territory
Price to Lifeline Subscriber *	\$20.99	\$24.95
Local Calling	Unlimited	Unlimited
Domestic Long Distance	Unlimited	Unlimited
911 calls	Free	Free
Customer Service / Billing Inquiries	Toll Free	Toll Free
* Charges vary by state/zone depending upon underlying ILEC charge variations		

- Monthly invoice issued to subscribers
- Caller ID & Call Waiting available at no charge or low rate depending upon subscriber's location
- Additional features, such as Voice Mail, also available
- Toll free calls to Customer Service and Billing Inquiries
- Prices reflect applicable Lifeline discount

# LTS – 911 Services

- LTS will provide its wireline Lifeline subscribers with access to 911 and E911 services:
  - Through underlying ILEC (CenturyLink & AT&T)
  - At the time of Lifeline service initiation
- LTS will provide its wireless Lifeline subscribers with access to 911 and E911 services:
  - Through its underlying carriers Sprint and Verizon Wireless (accessed via LTS' intermediary carrier, Reunion)
  - At the time of Lifeline service initiation
  - Regardless of activation status and minute availability
  - LTS will ensure that all wireless handsets used in connection with its Lifeline service are E911-compliant

# LTS - Marketing & Advertising Compliance

In compliance with the marketing and disclosure requirements, all LTS marketing materials will:

- Disclose company name under which it does business
- Explain in clear, easily understood language the following:
  - Only eligible consumers may enroll in the program;
  - What documentation is necessary for enrollment;
  - The program is limited to one benefit per household, consisting of either wireline or wireless service;
  - Lifeline is a government benefit program;
  - Consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program; and
  - Lifeline service is non-transferable

# LTS - End User Enrollment

- Direct Sales – Electronic: In person enrollment transaction occurring in retail store or at an event. All documentation is witnessed in real-time and subscriber leaves with activated phone.
- Direct Sales – Paper: In person enrollment. LTS does not have access to real-time electronic validation. As such, phone must be shipped to subscriber after QA department performs validation.
- Internet Sales: Self-driven enrollment by subscriber who signs self-certification form electronically to complete transaction. Proof of identity and program eligibility must be mailed/faxed. Phone shipped to subscriber after QA department performs validation.
- Phone Sales: Subscriber speaks to LTS employee to enroll. Proof of identity, program eligibility and completed self-certification form must be mailed/faxed for review and verification. Phone shipped to subscriber after QA department performs validation.

# LTS - End User Enrollment

Company's Enrollment Process requires confirmation of the following items:

1. Confirm Applicant's identity (see government issued picture ID)
2. Confirm program or income eligibility (see proof of participation or annual household income)
3. Confirm valid residence address and whether the address is permanent/temporary or multi-household (validates address via United States Postal Service database)
4. Confirm Applicant is not currently receiving a subsidy from another carrier
  - Applicant certifies under penalty of perjury
  - Specifically mentions other providers in certification
  - Company performs duplicate check into an internal and pooled external database
5. Confirm Applicant receives handset and personally activates or uses the phone prior to seeking reimbursement from Universal Service Fund. Mailed phones activated by subscriber making an outbound call to LTS' customer service representative that collects identifying information from the subscriber before activating the phone

# LTS - Annual Recertification

- LTS will re-certify each Lifeline subscriber annually and report results to USAC
- All subscribers who fail to respond to recertification attempts within 30 days will be given written notice that they have 30 days to confirm their eligibility or be de-enrolled from the Lifeline program
- Additionally, LTS will follow any state-specific recertification requirements

# LTS - Procedures Addressing Waste, Fraud and Abuse

- LTS strives for compliance in all policies & procedures surrounding its Lifeline Program
  - Marketing / Advertising
  - Subscriber Initial Enrollment & Annual Certification
  - Training of Employees
  - Subscriber Non-Usage & De-Enrollment
- LTS will perform a monthly QA review of a statistically valid sample of Lifeline subscriber applications

# LTS - Procedures Addressing Waste, Fraud and Abuse

- Subscriber Usage:
  - 60 Day non usage policy
- Duplicate Detection:
  - CGM's Internal Dupe Database (IDD) – covers subscribers from CGM clients
  - National Database (when operational)
  - State Databases (as developed)
- Independent Biennial Audits



# Questions?

## Thank you